



**NCDOR**

**NORTH  
CAROLINA  
DEPARTMENT  
OF REVENUE**

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# **General Government Appropriations Sub-Committee**

March 3, 2015

## **1. Introduction**

- Lyons Gray, Secretary

## **2. Collections Case Management and TIMS Update**

- David Roseberry, CIO / CISO

## **3. Corporate Modernized Electronic Filing**

- David Roseberry, CIO / CISO

## **4. Updates on Call Centers**

- Jeffrey Epstein, Chief Operating Officer

## **5. Collections Assistance Fee and Staffing Analysis**

- Elizabeth Colcord, Chief Financial Officer

- The Collections Case Management system helps generate approximately \$500 million annually for NCDOR
- System is comprised of ITAS (mainframe) and internally developed capabilities
  - ITAS: Integrated Tax Administration System
- The current capability is difficult to maintain and NCDOR is pursuing a new off-the-shelf system
- Vendors were invited to demonstrate their offerings so NCDOR could determine market capabilities

- Business Process Engineers are performing an in-depth analysis of current processes and making recommendations for improvements
- Currently developing a Request For Proposal (RFP)
- Tentative timetable for submitting RFP to OITS is April 2015
- eServices should be completed before Collection eServices project is initiated through legacy funding

- Taxpayer Information Management System (TIMS) project has concluded
- Vendor contract was terminated on 1/9/2014
- Gap assessment was completed to understand what was required to maintain applications that were put into production

- Funding was provided for Fiscal Year 2015 to remediate risk items identified:
  - Servers, network equipment, and storage being updated and migrated to OITS data centers
  - Training being provided on infrastructure
  - “TIMS” servers upgraded and in-line with the state of Ohio’s operating systems

- Funding request was submitted for Fiscal Year 16/17 to sustain operations
- New approach and strategy was developed and approved by NCDOR management
  - Smaller projects with lower risk and faster time to delivery
  - Projects such as eServices, CCM, Data Center Migration, Risk Remediation, Notice Consolidation, and Corporate Modernized e-Filing

- Corporations file over 240,000 paper returns annually to NCDOR
- Corporate MeF Initiative will allow electronic submission of Corporate and Franchise Tax Returns
- Projected estimated completion date: **March 2015**
- Estimated project cost over 5 years: \$2,811,673
- Estimated new revenue over 5 years: \$15,000,000
- 3 year projected adoption rate: 30/50/70



- Call center in Guilford County officially opened on January 28, 2015, ahead of schedule
- Call agents were trained and began taking taxpayer calls two weeks ahead of schedule
- Newly trained personnel support NCDOR's Taxpayer Assistance and Collections Divisions
- Call center incorporates new information technology upgrades and modern office design



**Opening Day: January 28, 2015**

Taxpayer Assistance & Collections Division		
Dates: Feb. 1 - 20	<b>Year:</b> <b>2014</b>	<b>Year:</b> <b>2015</b>
Calls Answered	47,621	55,694
Average Answer Wait Time	10:30	6:11

- Taxpayers preferred method of contact with NCDOR remains live phone assistance
- NCDOR's existing call center was established in Rocky Mount in 2003
- NCDOR plans to relocate and modernize the call center in Rocky Mount using the Guilford call center as a blueprint

- G.S. 105-243.1(d) [Authority for Collections Fee] &(e) [Use of Collections Fee]
- 2014 Avg. Collection per Month: \$2.6 million
- Balance 1 / 31 / 15: \$54,288,727
- Permanent Full-Time Positions: 408
  - Collection Division, DPPD (Garnishments), Information Technology, Taxpayer Assistance, Process Re-engineering, Criminal Investigation, Rocky Mount & Guilford Call Centers

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- 2014-2015 Recurring Budget Funded by CA FEE
 

– Project Collect	\$19,903,530
– Criminal Investigations	228,935
– Taxpayer Call Center (Rocky Mount)	6,050,554
– Taxpayer Call Center (Guilford)	<u>3,945,687</u>
408 FTEs	\$30,128,706
  
  - One Time Budget
 

– IVR Upgrade	\$1,477,585
– Scanner Project	1,600,000
– ABC Compliance Project	<u>30,000</u>
	\$3,107,585



# Temporary Employee Cost Year to Year

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Calendar Year	Cost	Count
2014	\$3,222,880	316
2013	\$2,972,684	270
2012	\$2,696,118	296
2011	\$2,664,813	319



## 2014 Temporary Solutions Employee Cost

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Temporary Solutions Invoice Breakdown	2014
Temporary Wages	\$2,145,212
Social Security	\$164,109
Administration Fee	\$303,385
Total	\$2,612,706



## Questions from the Committee?

- Contact Information:
  - Lyons Gray, Secretary: [lyons.gray@dornc.com](mailto:lyons.gray@dornc.com)
  - Jeff Epstein, COO: [jeff.epstein@dornc.com](mailto:jeff.epstein@dornc.com)
  - Jerry Coble, Assistant Sec: [jerry.coble@dornc.com](mailto:jerry.coble@dornc.com)
  - David Roseberry, CIO / CISO: [david.roseberry@dornc.com](mailto:david.roseberry@dornc.com)
  - Elizabeth Colcord, CFO: [elizabeth.colcord@dornc.com](mailto:elizabeth.colcord@dornc.com)
  - Nelson Freeman, Liaison: [nelson.freeman@dornc.com](mailto:nelson.freeman@dornc.com)